

Orbit Aviation Private Limited

September 25, 2020

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	59.52	CARE D; ISSUER NOT COOPERATING* (Single D I SSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total Facilities	59.52 (Rs. Fifty-Nine Crore and Fifty-Two Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 23, 2019, placed the rating(s) of Orbit Aviation Private Limited (OAPL) under the 'issuer non-cooperating' category as Orbit Aviation Private Limited (OAPL) had failed to provide information for monitoring of the rating. Orbit Aviation Private Limited (OAPL) continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated September 01, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on September 23, 2019 the following were the rating strengths and weaknesses. (Updated for the information available from lenders discussion)

Key Rating Weaknesses

Delays in debt servicing

As reported by the bankers, there have been delays in payment of principal and interest of up-to 30 days. These were mainly on account of mismatch of cash flows.

Weak financial profile

The operating revenue declined to Rs.77.68 crore in FY19, from Rs.81.28 crore in FY18. Overall, the total debt decreased to Rs.47.46 crore (PY: 77.52), leading to overall gearing of 1.87 as on March 31, 2019.

Key Rating Strengths

Experienced promoters

Orbit Aviation Private Limited (OAP) is part of Punjab based Orbit Group. It is a 64.96% subsidiary of Orbit Resorts Ltd which is into hospitality and bus transport business. Mr. Lakhvir Singh, Mr. Gurmehar Singh Majithia, Mr. Mohd Jameel, Mr. Mohd Rafiq are directors in the company.

Analytical approach: Standalone.

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Orbit Aviation Private Limited (OAP) incorporated in June 2007 is engaged in providing chartered flight and public road transport services. It is a 64.96% subsidiary of Orbit Resorts Ltd, while rest is held by promoter group. Mr. Lakhvir Singh, Mr. Gurmehar Singh Majithia, Mr. Mohd Jameel, Mr. Mohd Rafiq are directors in the company. The company is a Non-Scheduled Operator for India and abroad and it owns additionally, the company also provides passenger bus services through a fleet of 60 buses (including both standard and luxury) buses in Punjab

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Brief Financials (YTEI) (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	81.28	77.68
PBILDT	23.67	10.01
PAT	-10.66	5.59
Overall gearing (times)	3.97	1.87
Interest coverage (times)	2.79	1.47

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	59.52	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	59.52	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-19)	1)CARE D; ISSUER NOT COOPERATING* (03-Apr-18)	-

*Issuer did not cooperate; based on best available information

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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